

Elizabeth R. Hughes

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December 16, 2004

Securities and Exchange Commission
Office of International Corporate Finance
Stop 3-2
450 Fifth Street, NW
Washington, DC 20549
Attention: Ms. Mary Cascio

SUPPL

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2004 DEC 17 A 10:10
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Re: Pharmaxis Ltd – Rule 12g3-2 Exemption

Dear Ms. Cascio:

In connection with our Rule 12g3-2 exemption and as required by Rule 12g3-2(b)(1)(iii) of the Securities Exchange Act of 1934, enclosed please find the following recent filing of Pharmaxis Ltd made with the Australian Stock Exchange:

1. New issue announcement, application for quotation of additional securities and agreement (Appendix 3B) (filed December 16, 2004).

Should you have any questions or comments, please do not hesitate to contact me.

Yours truly,

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FINANCIAL

Elizabeth R. Hughes

Enclosure

cc: David McGarvey

ASX RELEASE

16 December 2004

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2004 DEC 17 A 10:19
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Issue of Second Tranche of Placement Shares

As announced to the market on 14 December 2004, the shareholders of the company have approved the issue of an aggregate total of 22 million fully paid ordinary shares at \$0.75 per share in a placement to certain institutional and sophisticated investors to raise a total of \$16.5 million.

The issue and allotment under the placement is in two tranches.

The company issued and allotted the first tranche of 16.2 million of the placement shares on 12 November 2004.

The company has today issued and allotted the second tranche of 5.8 million of the placement shares.

The company encloses the Appendix 3B in respect of today's issue.

Following today's issue and allotment, the total number of issued fully paid ordinary shares is 134,750,092. The proceeds of the capital raising will be used to replenish the cash funds expended during 2004 on the Company's successful clinical trials and therefore allow the Company to proceed with a new international Phase III clinical trial for Bronchitol™ in 2005.

Disclosure Notice under Section 708A(5)(e) of the Corporations Act 2001

The Company gives the following notice under section 708A(5)(e) of the Corporations Act 2001 (**Corporations Act**):-

- The 5.8 million fully paid ordinary shares were issued and allotted on 16 December 2004;
- The Company issued the 5.8 million shares without disclosure to investors under Part 6D.2 of the Corporations Act; and
- as at the date of the notice, the Company has complied with:
 - the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - section 674 of the Corporations Act; and
- as at the date of this notice, there is no excluded information as defined by sections 708A(7) and 708A(8) of the Corporations Act 2001.



David McGarvey
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Pharmaxis Ltd

ABN

75 082 811 630

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 5,800,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The new ordinary shares were issued in a placement and rank pari passu with existing ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>\$0.75 per ordinary share</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To replenish the cash funds expended during 2004 on the company's successful clinical trials and therefore allow the company to proceed with a new international Phase III clinical trial of Bronchitol in 2005.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>16 December 2004</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="703 1297 971 1333">Number</th> <th data-bbox="971 1297 1234 1333">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="703 1333 971 1526">109,786,092</td> <td data-bbox="971 1333 1234 1526">Ordinary</td> </tr> </tbody> </table>	Number	+Class	109,786,092	Ordinary
Number	+Class				
109,786,092	Ordinary				

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	
	24,964,000	Restricted fully paid ordinary shares (restricted until 10 November 2005; ASX Code PXSAC)
	2,720,000	Unlisted options expiring on various dates with an exercise price of \$0.125 (ASX Code PXSAM)
	7,084,000	Unlisted options expiring on various dates with an exercise price of \$0.3125 (ASX Code PXSAO)
	500,000	Unlisted options expiring 30 November 2013 with an exercise price of \$0.376 (ASX Code PXSAQ)
	45,000	Unlisted options expiring 24 March 2014 with an exercise price of \$0.508 (ASX Code PXSAS)
	15,000	Unlisted options expiring 3 June 2014 with an exercise price of \$0.426 (ASX Code PXSAU)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change from policy disclosed in prospectus dated 26 September 2003

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- | | | |
|----|---|--|
| 15 | *Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has *security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |

+ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

32 How do *security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders

36 ☐ If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional *securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 *Quotation of our additional *securities is in ASX's absolute discretion. ASX may quote the *securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the *securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those *securities should not be granted *quotation.
- An offer of the *securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any *securities to be quoted and that no-one has any right to return any *securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the *securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the *securities to be quoted, it has been provided at the time that we request that the *securities be quoted.
- If we are a trust, we warrant that no person has the right to return the *securities to be quoted under section 1019B of the Corporations Act at the time that we request that the *securities be quoted.

+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 16 December 2004

(~~Director~~/Company secretary)

Print name:

David McGarvey

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+ See chapter 19 for defined terms.